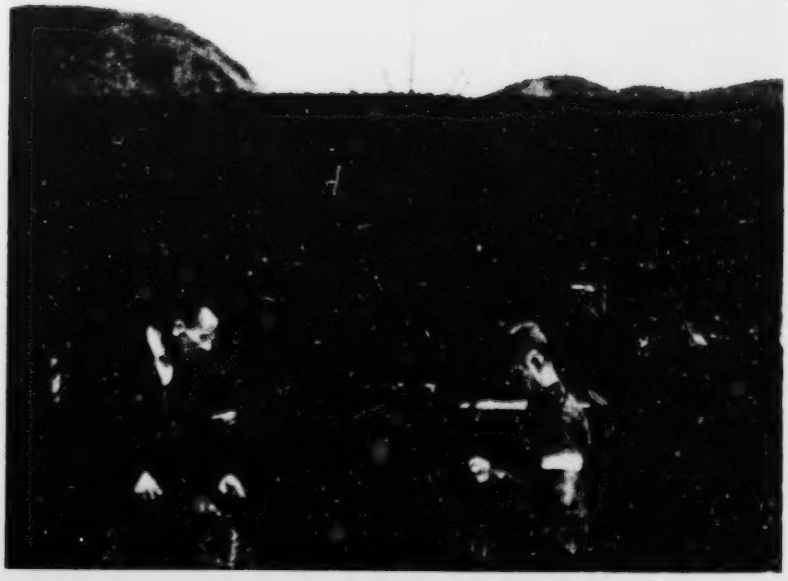
FOREST MANAGEMENT REVIEW
— BRITISH COLUMBIA —

Ministry of
Forests and Lands
Province of British Columbia

87-01612/

This seedling's growth may be suppressed or it may die because of competition from deciduous species.

Through the judicious use of herbicides, manual or mechanical brush treatment, these plantation trees will survive and grow well, ensuring the continued renewal of forests in British Columbia.



FOREST MANAGEMENT REVIEW

— BRITISH COLUMBIA —

PREPARED BY
THE MINISTRY OF FORESTS AND LANDS
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FOREWORD

On September 4, 1986, the Honourable Jack J. Kempf, Minister of Forests and Lands, directed the Ministry of Forests and Lands to review outstanding issues in forest management in British Columbia and to recommend ways to resolve them.

This review has indicated that many steps can be taken to improve forest management in the province. A new approach to management by the Ministry of Forests and Lands is of particular importance.

This report contains the results of the review and presents recommendations on 56 issues. Some of the recommendations can be implemented immediately. Others require further investigation and analysis.

The organizational review of the ministry to be undertaken during 1987 is explained on page 24. It summarizes the principles for the review and indicates the steps that will be taken to implement them.

This report does not deal with wilderness issues and overall land-use strategies since they were considered by the Wilderness Advisory Committee. Its recommendations are currently being reviewed by the provincial government. The report also does not deal with other special issues such as the potential shortfall of wood supply in the Prince George region. These are the subject of a separate inquiry.

This report is the first step in a continuing process involving all those who are interested in forest policy and management — a process that promises an innovative and flexible approach to future policy developments.

The Minister invites your comments on any issue or any recommendation contained in this report. Your comments should be submitted in writing by February 20, 1987 to:

Forest Management Review
Ministry of Forests and Lands
4000 Seymour Place
Victoria, B.C. V8V 1X4

All submissions will be given full consideration before the recommendations in this report are implemented.

FOREST MANAGEMENT REVIEW

ISSUES & RECOMMENDATIONS

ISSUE 1

The forest industry would like more management responsibility assigned to them under Tree Farm Licences and Forest Licences.

Comment

Any delegation of additional responsibilities to forest industry licensees must ensure that the public interest in Crown-owned forests is protected.

Recommendation

Assign greater responsibility and accountability for forest management through subsidiary agreements to companies that have demonstrated a satisfactory level of performance. Retain the ability to set objectives and standards, and audit performance in the field.

ISSUE 2

The forest industry would like Forest Licences to be replaced with Tree Farm Licences.

Recommendation

Undertake an analysis to determine how this would affect other resource values and tenure holders.

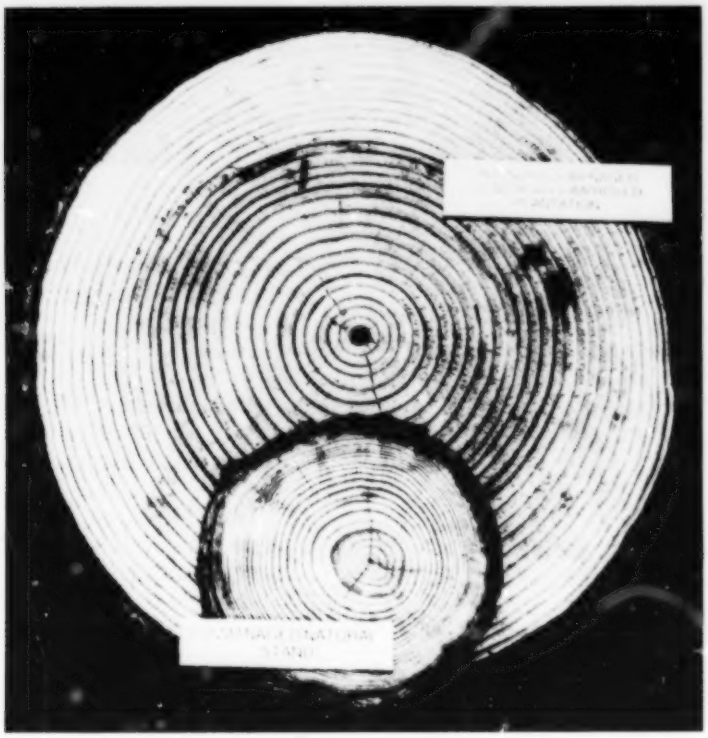
Issue Tree Farm Licences wherever the analysis indicates they are appropriate. Such licences should include a commitment to integrated forest management.

ISSUE 3

Because of large timber holdings, insufficient timber is available for special products and value-added manufacture.

Recommendation

Provide for special product and value-added manufacture through the timber-apportionment process.



Using intensive silviculture treatments, British Columbia is producing bigger and better trees.

ISSUE 4

There is a demand to expand the Woodlot Program.

Comment

A woodlot provides individuals with an opportunity to practise small-scale and intensive forest management on Crown and associated private lands. Much potential benefit can accrue socially and economically from expanding this program.

Recommendation

Provide additional allowable annual cut to the Woodlot Program. Increase opportunities for woodlots on nonarable, unused portions of agricultural leases.

Amend provincial legislation to allow woodlots to be larger than now permitted.

Initiate a woodlot extension service to provide consultation and management expertise to woodlot owners.

Develop a policy on the extent of the ministry's involvement and obligations, and clarify owners' obligations.

The ministry's Woodlot Program provides various opportunities – including the use of old practices – in small-scale forest management.

ISSUE 5

Logging contractors want long-term, secure contracts when contracting to companies that hold Tree Farm Licence and Forest Licence agreements.

Recommendation

Review in 1987 existing legislation, regulations and licensee-contractor relationships.

ISSUE 6

Should a greater percentage of forest land in British Columbia be privately owned?

Comment

The public has a considerable investment in forest lands and has an interest in their continued management for timber and other resources values.

Various Royal Commissions have recommended that the province maintain its unique ownership of the major portion of the forest land base in the province.

Recommendation

Allow small, isolated pieces of Crown timber land to be privately owned where appropriate. Require the owner to sign a covenant assuring that the forest land will be used continuously for forest managment.

ISSUE 7

Waste-assessment procedures are inequitably and inconsistently administered.

Comment

Present waste-assessment procedures do not deter wasteful harvesting practices and do not take account of all wood volumes included in the allowable annual cut.

Recommendation

For nondecadent stands, use a cruise-based method to dispose of Crown timber, and upgrade inventory sampling procedures.

For decadent stands that do not lend themselves to the cruise-based method, use the normal cruise-and-scale method to dispose of Crown timber and conduct an audit to assess waste.

ISSUE 8

Should there be an incentive to forest licensees to practise a higher standard of use than that required by their licences?

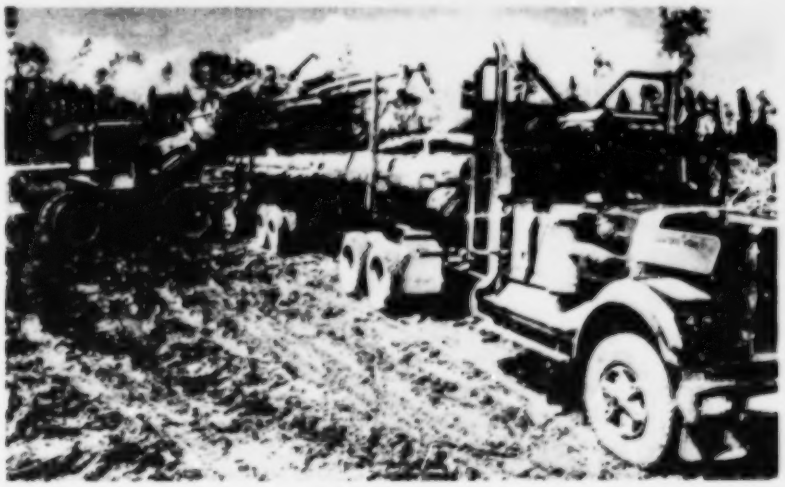
Comment

Incentives to practise higher standards of use could be provided by increasing the licensee's allowable annual cut under Section 52(b) of the Forest Act or by exempting from the licensee's cut those volumes that result from higher-than-required use.

Recommendation

Exempt volumes resulting from improved use by using cruise-based procedures for appropriate timber types. For noncruise-based timber types, exempt wood volumes resulting from higher-than-required use from the licence holder's allowable annual cut.

Implement procedures for removing residual wood from licences by third parties.



More timber will be removed from logged areas by providing incentives to forest licensees.

ISSUE 9

Do current cut-control limits (± 50 percent annually and ± 10 percent over five years) provide sufficient flexibility for the forest industry to respond to cyclical markets and varying product demands?

Comment

Current cut-control limits serve the interests of both the licence holder and the Crown.

Recommendation

Do not change the cut-control limits.

ISSUE 10

Should licensees be permitted to carry over periodic undercut volumes?

Comment

Current cut-control limits, combined with fixed overhead costs and the high costs of shutdown and startup, provide a strong business incentive to maintain steady production rates.

Recommendation

Give regional managers the discretion to allow undercut carryover to a maximum of 10 percent of the five-year allowable annual cut.

ISSUE 11	Ministry policies can lead to timber high-grading.
Comment	The industry must be required to log the species and volume profile of the forest within operable areas.
Recommendation	Strengthen the ministry's auditing of licensees' plans to ensure that harvesting is in accordance with the desired profile. Provide disincentives for high-grading through adjustments to the allowable annual cut.
ISSUE 12	Is the continued Tree Farm Licence harvest of 110 percent of allowable annual cut every five years leading to an eventual wood shortage?
Comment	Tree Farm Licence Management and Working Plans are amended every five years so that the allowable annual cut is adjusted to reflect previous harvesting.
Recommendation	No further action is required.
ISSUE 13	Allowable annual cuts are calculated using volume-per-hectare figures determined through the forest inventory program. Actual harvested volumes are measured through scaling procedures, which maybe incompatible with volume-per-hectare inventory figures. As a result, the total area required to harvest the allowable annual cut may be larger or smaller than that used in the inventory and, hence, could result in overcutting or undercutting of the timber resource.
Recommendation	Determine the area harvested annually and calculate the volume of timber depletion using the same units as those used to determine the allowable annual cut.
ISSUE 14	The actual timber harvest needs to be reconciled with the authorized allowable annual cut in each management unit.
Comment	The total volume harvested sometimes exceeds the allowable annual cut because of the removal of low-quality timber considered nonmerchantable when the allowable annual cut was established.

Recommendation	In reassessing current allowable annual cuts, take into account the low-quality, high-cost wood as a separate component of the allowable annual cut.
ISSUE 15	Resource-use conflicts, interagency disputes and public distrust are inhibiting effective resource management.
Comment	Integrating resource uses on provincial forest lands is the ministry's responsibility. It must, therefore, deal with the steadily increasing demand for a variety of resource uses.
Recommendation	Improve coordination among ministries to ensure compatible goals and objectives for integrated resource use. Realign the Ministry of Forests and Lands staff to enable a more effective response to demands for integrated resource management.
ISSUE 16	The public is concerned about recreational opportunities on forest lands.
Recommendation	Establish a ministry task force to review the recreation mandate in the context of integrated resource management.
ISSUE 17	Wildlife concerns need to be coordinated with forest management practices.
Comment	Because of public concern for the management of fish and wildlife habitats, considerable research has been undertaken jointly by the Ministry of Forests and Lands and the Ministry of Environment and Parks.
Recommendation	Use existing research findings and consult with the forest industry to develop policies, procedures and handbooks; and hold appropriate workshops and training programs on managing fish and wildlife habitats.

Fish and wildlife habitats are protected through government research and cooperation with the forest industry in using new methods of developing second-growth forests.

ISSUE 18

More effective public consultation procedures are needed for resolving resource-use conflicts on forest lands.

Comment

Consultation between management agencies, industrial users and the public can be successful in resolving different points of view and in developing mutually acceptable plans.

Recommendation

Update and simplify the Public Involvement Policy so that it can be easily understood.

Develop a strong public consultation program, associated with integrated resource management planning, that field staff can easily understand and apply.

Encourage the forest industry to increase consultation with other forest users when developing their management plans.

ISSUE 19

Local governments have requested that they be consulted on local forest-management activities.

Comment

Consultation with local governments in developing forest-management plans would increase public awareness and help dispel misunderstandings.

Recommendation

Encourage municipal officials to participate in the forest management planning process by participating in the Timber Supply Area Steering Committees.

ISSUE 20

The forest industry disagrees with the mechanism used to fund basic silvicultural activities for Forest Licences and Tree Farm Licences. It is also not prepared to accept responsibility for these activities unless funding is sufficient to ensure free-growing plantations.

Recommendation

Establish regulations that make basic silviculture a responsibility of the tenure holder regardless of funding.

ISSUE 21

Is Section 88 an appropriate and efficient mechanism for funding activities on Crown land?

Comment

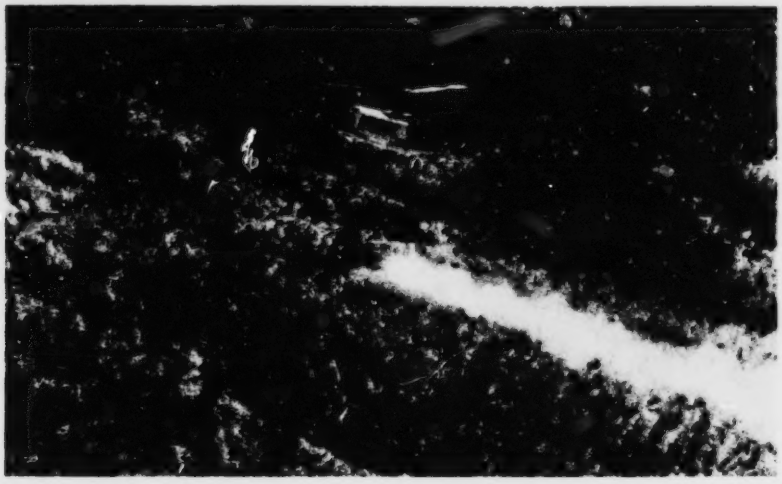
Eliminating the Section 88 funding mechanism would provide for better planning, cost control, audit procedures and program direction, and produce a more efficient, overall operation. However, program and project planning would have to be more effective and be provided earlier in the budget process.

Recommendation

Discontinue the present Section 88 program and –

1. pay the licensees directly for silviculture projects;
2. contract directly for road and bridge projects;
3. provide for protection, research and recreation projects as per 1 or 2 above;
4. any combination of 1, 2 and 3, above, as required by the project.

Provide funding through the normal budget process.



Fertilization by air will increase the size of trees.

ISSUE 22

Should Crown stumpage rates be sufficient to cover all forest management costs?

Comment

The publicly owned forests are managed for timber and other resource values, such as wildlife and recreation. So, it is reasonable to have the public share in forest management costs. Crown stumpage, therefore, should not be expected to cover all forest management costs; but it should cover the costs of forest management for timber production.

Recommendation

Use a method of calculating stumpage that differentiates between forest management for timber production and for other uses. Differentiate the cost of managing the forests for other uses.

ISSUE 23

Should timber be harvested when all associated revenues are insufficient to cover forest management costs?

Comment

The full revenue from forest harvesting includes indirect revenues from taxes and fees as well as direct revenue from stumpage.

Recommendation

Proceed with harvesting if the advantage in terms of revenue, public access and employment outweighs the cost of forest management.

ISSUE 24

Current minimum rates do not provide enough stumpage revenue to cover reforestation and main-road development costs.

Comment

The traditional method of determining minimum stumpage rates has resulted in their failure to keep pace with the costs of reforestation and primary road construction.

Recommendation

Review minimum stumpage rates and provide recommendations to the Minister once the ramifications of the U.S. Countervail Case are fully known.

Enough stumpage revenues should be collected to pay for road building and reforestation.

ISSUE 25

Should the present, complex, stumpage appraisal system be replaced with a flat rate or other simplified system?

Comment

British Columbia's stumpage system is widely recognized for its fairness. It recognizes the differences in size, quality and accessibility of timber stands. A flat rate system would be unfair to those companies operating in poor-quality, high-cost timber in isolated locations.

Recommendation

Retain the present stumpage appraisal system but simplify where possible.

ISSUE 26	The forest industry is too directly involved in formulating timber pricing policies and in determining methods of calculating stumpage rates.
Recommendation	Consult with the forest industry on timber pricing policies, but do not involve the industry in determining stumpage rates.
ISSUE 27	Appraisal allowances in the stumpage system are updated too infrequently to reflect regional market values and circumstances.
Comment	Accurate stumpage rates require that cost and revenue estimates are updated frequently through comprehensive ministry surveys.
Recommendation	Conduct continuous reviews of stumpage appraisal allowances to ensure that they accurately reflect current conditions and regional market values.
ISSUE 28	Should stumpage prices be established on a "stand-as-a-whole" basis rather than on an individual species basis?
Comment	Since licensees "purchase" a timber stand rather than individual species and are required to harvest all species on the site regardless of net value, it is rational to allow the species with a low (or negative) net value to reduce the stumpage paid for higher-valued species.
Recommendation	Assess the impact on Crown revenues of implementing "stand-as-a-whole" stumpage appraisals.
ISSUE 29	Should interior Crown timber be appraised to the licensee's sawmill rather than to the nearest sawmill?
›mment	The true value of standing timber to the Crown is given by the availability of timber to the nearest sawmill regardless of the location of the licensee's sawmill.

Recommendation	Continue to appraise Interior Crown timber to the nearest sawmill.
ISSUE 30	The Vancouver log market frequently fails to establish realistic log values for the coast.
Comment	Stumpage appraisals on the coast rely on accurate estimates of log values by species and grade. The Vancouver log market has traditionally been the sole source of these values. However, due to the relatively small number of "arm's length" transactions and the voluntary nature of those transactions, the values do not represent the real log values on the coast.
Recommendation	Review alternatives to the Vancouver log market to determine fair log values.
ISSUE 31	Appraisals allow interior stud producers to pay less for timber than dimensional-lumber producers.
Comment	Stumpage in the interior is based on the market value of finished products. Since studs have a lower market value than dimensional lumber, stud mills pay less for a timber stand than dimension mills.
Recommendation	Appraise the timber and not the nature of the operation. Apply stud-lumber prices to small logs and dimension-lumber prices to large logs on a consistent basis.
ISSUE 32	Bid prices within the Small Business Enterprise Program are often artificially high because of understandings between bidders and major licensees.
Comment	Bidders for Small Business Enterprise Program sales who make agreements with major licensees are following sound business practices to further their economic well being. Major licensees using Small Business Enterprise Program registrants as surrogate bidders are violating the intent of the Small Business Enterprise Program regulation, but enforcement is impossible.

The ministry's objective to increase the amount of timber available under the Small Business Enterprise Program to 25 percent of the provincial allowable annual cut is not expected to alleviate the problem.

Recommendation

Recognize that these practices, though not welcome, are integral to a free-market competitive process. Consider a policy under which contractors protected by contractor clause regulations under Tree Farm Licences and Forest Licences are ineligible for the Small Business Enterprise Program.

ISSUE 33

Criteria used for Small Business Enterprise Program classification needs to be reviewed.

Recommendation

Establish a ministry task force to review Small Business Enterprise Program qualification criteria.

ISSUE 34

Does the privatization of scaling result in inaccurate work and subsequent revenue loss to the Crown?

Comment

Scaling is checked frequently by ministry scalers. The scaling licence is suspended or cancelled whenever flagrant errors are detected.

Recommendation

Sell as much timber as possible on a cruise basis. Continue to assert the Crown's financial interest by checking the work of private scalers on noncruise-based tenures.

ISSUE 35

Log scaling before manufacture and waste assessment after logging is considered a costly duplication of timber cruising.

Comment

Disposing of Crown timber by the cruise-based method is appropriate for nondecadent stands.

Recommendation

For nondecadent stands, use a cruise-based method to dispose of Crown timber, and upgrade inventory sampling procedures.

For decadent stands that do not lend themselves to the cruise-based method use the normal cruise-and-scaling method to dispose of Crown timber and conduct an audit to assess waste.

ISSUE 36

Does the policy permitting the watering of unbundled logs need to be changed to reduce losses in revenue?

Comment

Existing ministry policy, supported by industry, requires that–

- timber be scaled before watering, wherever possible;
- all logs transported by water be bundled or barged and, if unscaled, dewatered before scaling;
- a prompt log-spill-recovery operation be mounted whenever logs escape; and
- the industry conduct a continuing log salvage operation in inland coastal waters.

Annual volumes salvaged have dropped from 255 000 cubic metres in 1973 to 78 000 cubic metres in 1984 due to a reduction in the number of logs lost.

Recommendation

Leave the policy unchanged.

Transporting logs by barge reduces losses.

ISSUE 37

The public is concerned about log exports.

Comment

Timber is to be manufactured within the province and can be exported only when it is –

- surplus to the province's needs;
- located where it cannot be economically processed or transported to a manufacturing facility elsewhere in the province; and
- proven that export would prevent waste and improve timber use.

Additional export restrictions affect certain grades and species.

Recommendation

Approve a new mandate for the Timber Export Advisory Committee. Request that it issue a public document outlining policy and procedures for log export.

ISSUE 38

Should the export of partially manufactured products be permitted?

Comment

Value added from partial manufacture is lower than that from full manufacture, but partial manufacture employs more people than log exports.

Recommendation

Ask the Timber Export Advisory Committee to initiate a study and publish its findings.

ISSUE 39

Forest inventory information is inadequate and not readily available at all levels.

Comment

Reliable inventory information is the ministry's primary resource for making forest management decisions. Inventories must be immediately accessible at all levels.

Recommendation

Make the inventory accessible to Forest Service district offices. Ensure it is updated regularly.

Integrate ministry data bases with those of other agencies.

ISSUE 40

The available inventory information is not sufficiently accurate to enable the ministry to reliably determine allowable annual cuts in Timber Supply Areas.

Comment

Reliable information on the condition, extent and growth rate of the available timber growing stock is essential.

Recommendation

Improve inventory management by recording annual depletions, land-base withdrawals, and changes in timber growth. Do this by conducting site inspections and monitoring growth and yield.

ISSUE 41

Timber Supply Area plans are not being prepared, revised or monitored regularly.

Comment

Timber Supply Area plans establish forest management goals, prescribe allowable annual cuts, and document area prescriptions and programs.

Recommendation

Develop a new schedule for preparing, reviewing and monitoring Timber Supply Area plans based on the best information available. Decentralize the timber supply analysis capability to regions and districts, and simplify procedures.

ISSUE 42

Tree Farm Licence Management and Working Plans do not adequately specify forest management objectives and the methods to be used to achieve them.

Recommendation

Require Tree Farm Licence holders to produce more complete Management and Working Plans that specify objectives and prescriptions for managing timber, wildlife, fish and other resource values.

Allowing the public and other agencies the opportunity to comment on Tree Farm Licence Management Plans and Working Plans ensures successful integrated resource use.

ISSUE 43

Much public controversy surrounds pesticide use in forest management.

Comment

Pesticides are considered an essential and practical option for protecting forest stands and high-valued forest areas from unwanted vegetation and pests.

Recommendation

Ensure that the selected pesticide is economically, environmentally and silviculturally acceptable.

Conduct a public information program to dispel misunderstandings on pesticide use.

Ensure that public information with regard to the safe use of herbicides is fully disclosed to the public.

Continue ministry policy to implement an appropriate service charge where excessive documentation is requested.

Public awareness of the benefits of using pesticides is the key to the ministry's pest management program.

ISSUE 44	Weed containment and control are needed to maintain the range resource and to improve plant communities on problem sites.
Recommendation	Undertake more research on spraying and biological weed control for knapweed and other noxious weeds.
ISSUE 45	Insect management requires a quicker and more effective response.
Recommendation	Develop strategies for an improved insect management strategy.
ISSUE 46	Better smoke control is needed for prescribed burning.
Comment	Prescribed burning is essential for silviculture and wildlife management.

Recommendation

Consider introducing incentives to encourage greater use of marginal wood.

Develop smoke-control strategies.

Burning slash prepares the site for the next stage of the forest growth cycle providing forage for wildlife and domestic stock.

ISSUE 47

Range management policies and procedures are inadequate.

Recommendation

Establish updated policies and procedures for range management.

ISSUE 48

Current range inventories are needed to ensure conservation of the forage resource and for adequate planning, allocation and monitoring.

Comment

Long-term management of range resources requires an inventory that describes the vegetative composition, the range's existing condition, and the level of sustained forage yield that can be anticipated.

Recommendation

Develop a provincial plan. Conduct an inventory for range unit planning. Ensure that range use objectives and prescriptions are incorporated into existing Timber Supply Area and Tree Farm Licence plans.

ISSUE 49

Improved monitoring is required for prescribed burning of forested and nonforested rangelands.

Recommendation

Implement improved range burn monitoring procedures for planned burns and wildfires that could result in forage production.

Range burning improves the province's forage resource for domestic animals and wildlife.

ISSUE 50

An improved mechanism is needed to resolve forage allocation disputes between the Ministry of Forests and Lands and the Ministry of Environment and Parks.

Recommendation

Establish a task force with members from the above ministries to develop recommendations on how to better integrate interministry range and wildlife management objectives.

ISSUE 51

Fees charged for the use of Crown range are inappropriate.

Comment

Range fees have remained relatively unchanged for many years, and are based on resource use only. Fees are tied to the livestock market and do not reflect costs of production, geographic location, fencing requirements or other factors affecting the price of forage. They also do not reflect the costs of processing applications, transfers or amendments.

Recommendation

Review the entire range fee structure. Revise the policy on industry and government obligations.

ISSUE 52

The provincial plan for long-term construction and maintenance of forest roads is out of date.

Recommendation

Establish an interministry task force to develop a new policy and goals on the development, maintenance and access management of future off-highway Crown roads.

ISSUE 53

Post-secondary education has not kept pace with the dramatic changes over the past ten years in resource management requirements.

Comment

Historically, forest-related education has stressed technical training.

Recommendation

Communicate to post-secondary institutions the need for people with greater managerial, organizational, entrepreneurial and communicative skills.

ISSUE 54

The Association of Technicians and Technologists of British Columbia want their members to have the same professional opportunities in forest management as Professional Foresters.

Recommendation

Parties involved should resolve this issue. Failing resolution, the parties should seek a legal ruling.

It is the ministry's intention not to discriminate in using the most appropriate person for any function.

ISSUE 55

Jobs are being lost in the forest industry due to improved technology.

Comment

Although the forest industry is reducing the size of its labor force, the silviculture sector is rapidly increasing the size of its labor force due to forest management initiatives in reforestation and silviculture.

Recommendation

Inform the public that there are two facets to the industry and that, although jobs are decreasing in the forest industry, they are increasing in the silviculture industry.

British Columbia will need 6,500 new tree planters in 1987 to implement the ministry's silviculture goals.

ISSUE 56

Who has the jurisdiction to manage and use major utility rights-of-ways?

Recommendation

Determine who has jurisdiction over utility rights-of-ways and take advantage of opportunities to use rights-of-ways. The Ministry's Lands Division has been asked to develop recommendations on this issue by December 31, 1987.

MINISTRY REORGANIZATION

The Ministry of Forests and Lands is in the process of reviewing its internal hierarchy and structure. The review is being conducted by teams of ministry employees, with all employees invited to provide input. The objective is an effective and efficient organization designed to provide quick and responsive public service and excellent working conditions for all staff.

The ministry will strive to ensure that all employees have well-defined and meaningful roles.

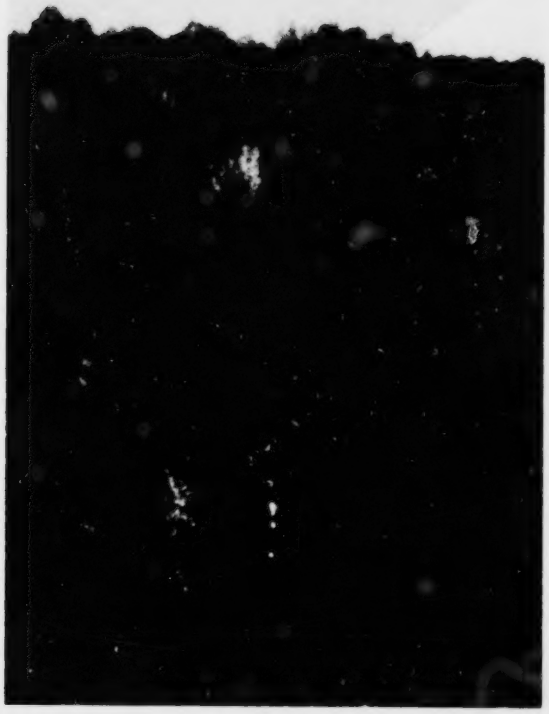
The ministry's previous structure impeded the ability of professionals and managers to manage the forests. That will be corrected as regional and district managers will be provided with a full mandate to manage and be responsible for their decisions.

Headquarters will be realigned and streamlined to provide the public with a better understanding of their functions and to provide the regions and districts with improved support services. This will include an integration of nontimber forest uses and better analysis of public requirements and costs.

British Columbia is faced with growing conflicts over land use, which the ministry recognizes must be minimized by improved public dialogue.

The public appreciates the importance of forestry in providing jobs and in the economic well being of British Columbia's communities. But the public does not appreciate that British Columbia ranks high on an international scale for its excellent forest management. To redress this situation, better public information programs to improve understanding and acceptance of ministry forest management will be a priority in 1987.

Any significant reduction in forest harvest would immediately create unemployment and social dislocation and would severely burden welfare and retraining programs. The Ministry of Forests and Lands is committed to prevent these events from occurring.



Top Left

Area logged in the 1940s, now covered with a second-growth forest, looks as though it was never logged.

Bottom

Stands of trees on the coast, left, and in the interior, right, are growing well because of intensive forest management practices.